

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 3 - PERSONNEL AND ADMINISTRATIVE MATTERS

CP 91-3.02 City Compensation Policy

Adopted April 6, 1987

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3.02.010 Purpose

3.02.011 This policy provides a basis for establishing total compensation for those directly employed by the City of Corvallis. Council appointed, temporary, or casual employees are not covered by this policy.

3.02.020 Mission

3.02.021 To ensure long term community livability, fiscally sustainable City budgets and social sustainability within the City organization, through administration of compensation policies designed to maximize efficient delivery of City services within the City's ability to pay; while also recognizing the value of work performed by employees.

Council Policy 91-3.02

3.02.030 Goals

3.02.031 The goals for this policy are prioritized as follows:

- a. Ensure the delivery of high quality City services at a level desired by citizens.
- b. Attract and retain highly qualified employees.
- c. Provide the City Council with the flexibility necessary to meet organizational goals.
- d. Maintain positive and effective labor relations.
- e. Ensure compensation equity among employees.

3.02.040 Definitions

3.02.041 Benefits – As defined in State law and generally referring to the portion of total compensation not represented by wages.

3.02.042 Compensation – Total compensation is defined in State law as all rewards and recognition including base wages, other salary and incentive compensation, benefits and perquisites; and specifically all direct or indirect wages and benefits for a specific position which have a material value.

3.02.043 Equity – consisting of three dimensions:

- a. Market Value or External Equity – An external valuation based on analysis of roughly equivalent positions from comparator cities, within a reasonable recruitment area, as defined by State law.
- b. Relative Compensatory Value – Comparison between classifications within the organization based on a system of point values assigned on the basis of five factors: level of responsibility, knowledge, physical requirements, work environment, and interpersonal relations.
- c. Inadequate Compensation Differential/Compression – Comparison between classifications within the organization to ensure appropriate compensation differential between classifications within a particular job family.

Council Policy 91-3.02

- 3.02.044 Fiscally Sustainable City Budget – A City budget where increases in annual expenses are no greater than increases in associated annual revenue.
- 3.02.045 Classification – consisting of individual jobs and job families:
- a. Job Classification - One or more positions sharing a common job description and common job classification system points.
 - b. Job Family Structure – A tool to differentiate classifications within a similar technical area which are distinct enough, based on the point value, to merit a different job classification.
- 3.02.046 Job Factors:
- a. Interpersonal Relations – The importance and difficulty of conducting interpersonal relations for the job including both the level of interpersonal skill required and the scope of interpersonal contacts.
 - b. Knowledge – The total capability required to learn and perform the job competently. Includes both level of knowledge and the application of that knowledge to work situations (challenge) faced in the classification.
 - c. Physical Requirements – The coordinative and manipulative skills as well as the level of exertion required.
 - d. Responsibility – The total magnitude of job responsibility including both the level of responsibility and the degree of job impact.
 - e. Work Environment – The need to perform under less than optimal working circumstances including difficulty, work pressure and workflow, and work location and conditions.
- 3.02.047 Social Sustainability – defined in Council Policy 1.08.053.
- 3.02.048 Stability of Employment – Refers to an individual's duration of employment with a given organization in combination with that individual's perception of that employment situation.
- 3.02.049 Wages – An employee's pay including the base wage and any special pays for certifications, assignments, market conditions, etc.

Council Policy 91-3.02

3.02.050 Policy

3.02.051 Fiscal Constraints

Compensation goals shall be addressed within the following fiscal constraints:

- a. the economic ability of the City to pay
- b. reasonable limits on the cost to provide City services
- c. budgetary restrictions established by the City Council

3.02.052 Administration

The City Manager is authorized to administer this Policy through plans developed in accordance with this Compensation Policy's mission, goals and policies. The City Manager will give particular attention to the City's long term budgetary outlook, the City's ability to pay, the reasonable cost of providing City services as well as any applicable State law.

3.02.053 Total Compensation

Salary range and all other elements of compensation shall be established on the basis of how well the organization's total compensation best meets stated policy goals and constraints.

3.02.054 Recruitment and Retention

To the extent that employee compensation is found to detract from the City's ability to recruit or retain a qualified work force, compensation may be adjusted according to the results of a market value analysis for specifically impacted job classifications.

3.02.055 Collective Bargaining

State law dictates which employees are covered by collective bargaining agreements; and for such employees, compensation is a mandatory subject of bargaining. The application of CP 91-3.02 is, therefore, also subject to the collective bargaining process.

Council Policy 91-3.02

3.02.056 Survey of Comparable Cities

Surveys of comparable cities, as defined by State law, regarding compensation for specified positions as well as the overall compensation structure are a standard implementation tool in analyzing appropriate employee compensation levels. Compensation survey results will be reported to Council in a timely manner.

3.02.057 Exceptional Service

The City has long desired a means to reward employees, work groups and teams for exceptional service. The Council supports the development and implementation of creative programs and incentives, both monetary and non-monetary, to recognize exceptional service by employees leading to the enhancement of community livability.

3.02.060 Compensation Equity

3.02.061 External Relationships

To be competitive in the employment market, the external value of individual job classifications will be determined by comparing City total compensation rates with those of comparator cities within a reasonable recruitment area, as defined by State law and with the mean of such comparators as a benchmark. In setting compensation, external equity is the primary factor, with relative compensatory value and compression as secondary factors.

3.02.062 Relative Compensatory Value

Relative compensatory value will be a consideration in determining appropriate total compensation. Determining the relative value of job classifications within the organization includes analysis of similarities and differences between them using the following factors:

- a. Level of Responsibility
- b. Knowledge
- c. Physical Requirements
- d. Work Environment

Council Policy 91-3.02

e. Interpersonal Relations

3.02.063 Compression

Proper analysis of job family structure is an important implementation tool with respect to the preservation of vertical compensation equity and the avoidance of serious compensation compression issues.

3.02.070 Review and Update

This Policy shall be reviewed at least every two years in October by the City Manager for recommendation to the Council on appropriate revisions.